

OREGON STATE HOUSING COUNCIL
Minutes of Meeting

Oregon Housing & Community Services
Large Conference Room, 124 A/B, First Floor
725 Summer Street N.E., Suite B, Salem, OR 97301

9:00 a.m.

December 5, 2008

MEMBERS PRESENT

Larry Medinger, via phone
Scott Cooper, via phone
John Epstein
Maggie LaMont
Stuart Liebowitz
Jeana Woolley

MEMBERS ABSENT

Francisco López

GUESTS

Anna Geller, Geller, Silvas & Assoc.
Cyndy Cook, Housing Works
Ruby Mason, Mid-Columbia Housing
Authority
Betty Dominquez, Housing Authority of
Portland
Jessy Olson, Farmworker Housing
Development Corporation
Rob Roy, Pacific Crest Affordable
Housing
Teresa Rozic, Deschutes County
Rima Wilson, Pacific Crest Affordable
Housing
Jody Ahlstedt, UCAN
Gloria Zacharras

STAFF PRESENT

Victor Merced, Director
Rick Crager, Deputy Director
Nancy Cain, Chief Financial Officer
Bob Gillespie, Housing Division Administrator
Pegge McGuire, Community Resources Division
Administrator
Bill Carpenter, Information Services Division
Administrator
Vince Chiotti, Regional Advisor to the Department
Jack Duncan, Regional Advisor to the Department
Deb Price, Regional Advisor to the Department
Margaret McDowell, Chief Audit Executive
Lisa Joyce, Legislative Relations Manager
Betty Markey, Housing Resources Manager
Dona Lanterman, Single Family Manager
Craig Tillotson, Single Family Loan Specialist
Frank Silkey, Architect Consultant
John Czarnecki, Architect Consultant
Shelly Cullin, Loan Officer
Debie Zitzelberger, Loan Officer
Becky Baxter, Loan Closer
Roz Barnes, Housing Program Rep.
Mike McHam, Appraiser and Market Analyst
Vikki Pointer, Executive Support
Jo Rawlins, Recorder

I. CALL TO ORDER: Co-Chair Maggie LaMont calls the December 5, 2008 meeting to order at 9:01 a.m. and asks for roll call. Present: Scott Cooper (via phone), John Epstein, Maggie LaMont, Stuart Liebowitz, Jeana Woolley (arrived at 9:06) and Chair Larry Medinger (via phone). Absent: Francisco López .

II. PUBLIC COMMENT:

III. APPROVAL OF MINUTES: Co-Chair LaMont asks if there are any corrections to the November 7, 2008 Minutes. There being no corrections, the Motion was read:

MOTION: Cooper moves that the Housing Council approve the minutes of the November 7, 2008 Council meeting.

VOTE: In a roll call vote the motion passed. Members Present: Scott Cooper (via phone), John Epstein, Maggie LaMont, Stuart Liebowitz and Chair Larry Medinger (via phone). Absent: Francisco López and Jeana Woolley.

IV. CONSENT CALENDAR: Dona Lanterman, Single Family Programs Manager, reports that there is one property in Dallas, which is a high-end property for that area. There being no questions, the Motion was read:

MOTION: Chair Medinger moves that the Oregon State Housing Council approve the Consent Calendar.

VOTE: In a roll call vote the motion passed. Members Present: Scott Cooper (via phone), John Epstein, Maggie LaMont, Stuart Liebowitz, and Chair Larry Medinger (via phone). Absent: Francisco López and Jeana Woolley.

V. SINGLE FAMILY REPORT: Dona Lanterman, Single Family Programs Manager, reports that 68 loans were closed in November. Last year the department processed 1,381 loans, and through November of this year it has passed the goal of 1,500, with 1,547 loans. LaMont: comments that it appears the average loan has gone down substantially by about \$12,000, and asks if that is what they are seeing. Lanterman states that the average is still higher than last year. There were a few months with an increase in higher-end properties, which brought up the average, so they are not seeing a dramatic drop in value.

VI. NEW BUSINESS:

A. *Nuevo Amanecer-Phase IV*, Predevelopment Loan Request (Woodburn, Oregon). Debie Zitzelberger, Loan Officer, introduces Jessy Olson, Project Manager, Farmworker Housing Development Corporation. Zitzelberger states that Farmworker Housing Development Corporation (FHDC) is requesting a \$315,000 Predevelopment Loan with a two year maximum at a 4.25% interest rate. Security for the project is the Trust Deed recorded against the Phase IV property. Predevelopment funds will be used to pay off a maturing loan to Enterprise providing more favorable terms and conditions. The proposed development is new construction and expansion of their existing development. The security for the loan is the unimproved land with an appraised "as is" market value of \$400,000. The department will be in first lien position, providing a 79% loan-to-value. The

primary repayment plan is to apply for funding through the Consolidated Funding Cycle (CFC) and, if unsuccessful, they will continue to apply until 2010. If ultimately unsuccessful for CFC resources, they will sell the property to repay the predevelopment loan. FHDC will be the borrower and the developer of this project. **Epstein** asks if they are paying off the existing loan, or adding funds on top of the existing loan. **Olson** explains that it is paying off the loan, and a small additional amount will cover some other fees for the review phase that was recommended by the RAD, which includes architecture and engineering fees. **Woolley** asks when the appraisal was done, and **Olson** states it was done last month. **Chair Medinger** says he thinks this is a great project.

MOTION: Chair Medinger moves that the Housing Council approve a Predevelopment Loan in an amount not to exceed \$315,000, at a current interest rate of 4.25% per annum for a maximum of two years to Farmworker Housing Development Corporation to pay off a higher interest rate maturing loan for the development of affordable farmworker housing in Woodburn, Oregon.

VOTE: In a roll call vote the motion passed. Members Present: Scott Cooper (via phone), John Epstein, Maggie LaMont, Stuart Liebowitz, Jeana Woolley and Chair Larry Medinger (via phone). Absent: Francisco López

B. Little Deschutes Lodge, HOME Loan Request (LaPine, Oregon). **Mike McHam**, Market Analyst and Appraiser, introduces **Rob Roy**, Owner and Co-Operating Manager, **Rima Wilson**, Project Manager of Pacific Crest Affordable Housing, **Teresa Rozic**, Property Specialist, Deschutes County, and **Deb Price**, Regional Advisor for the Department. *John Epstein declares a conflict of interest and will therefore abstain from voting on this project.* **McHam** explains that this project was initially prompted by a memorandum of understanding between the department and Deschutes County that solidified in 2006. The project is a proposed 26-unit apartment complex, targeted to seniors with incomes less than 50%. The land, estimated at \$450,000, is donated by Deschutes County at no cost to the sponsor, and the site is part of a larger 13.5 acre planned development. The target population is very low-income, requiring lower targeted rents varying from 30% AMI to almost 50%. He gives an overview of the write-up contained in Housing Council's packet. **Price** explains that the City of LaPine was not a city when this project was first conceptualized. The additional barriers for a community that did not even have a structure to try and partner with the county, which did have a structure in place, helped them carry the education process forward for everyone. This project means a great deal to the community at the local level and what this partnership means for affordable housing. **Cooper** says you cannot even conceive what a monumental undertaking it is to try and build a new city. We fight all the time on this Council to get established cities to embrace the affordable housing agenda, and to have a young city, that has so many other challenges, embrace this as part of their agenda this early on is very positive. He says they need to be awarded and encouraged and he says he strongly supports this project. **Chair Medinger** notes that the market analysis indicates that the number of needed units is 120, and asks what the population is for the trade area. **McHam** explains that the population listed is for LaPine and the larger surrounding area, which is roughly around 15,000. **Chair Medinger** asks if the

contractor, Sunwest Builders, has any connection to Sunwest of Salem. **Roy** says that to the best of his knowledge there is no connection. **Gillespie** agrees that they are not related. **Roy** states that Sunwest Builders is headquartered in Redmond, and they only do construction projects.

MOTION: Cooper moves that the Housing Council approve a \$500,000 loan reservation of HOME funds to Pacific Crest Affordable Housing, LLC, completing the new construction of Little Deschutes Lodge in LaPine, Oregon, contingent upon meeting all HOME requirements and conditions of award.

VOTE: In a roll call vote the motion passed. Members Present: Scott Cooper (via phone), Maggie LaMont, Stuart Liebowitz, Jeana Woolley and Chair Larry Medinger (via phone). John Epstein abstains. Absent: Francisco López.

C. *Trillium Terrace*, Predevelopment Loan Request (Roseburg, Oregon). **Debie Zitzelberger**, Loan Officer, introduces **Jody Ahlstedt**, Umpqua Community Action Network (UCAN). **Stuart Liebowitz** declares a conflict of interest and will therefore abstain from voting on this project. **Zitzelberger** states that UCAN has requested a predevelopment loan of \$220,000 for the acquisition of .49 acres located in Roseburg. UCAN is proposing to build a six-unit project for families that have a member who is chronically mentally ill. The unit mix will be 4 two-bedroom and 2 three-bedroom units. She gives an overview of the write-up contained in Housing Council's packet. **Chair Medinger** says that, considering the size of Roseburg and the size of projects that they keep turning out, UCAN has a great development process.

MOTION: Epstein moves that the Housing Council approve a Predevelopment Loan in an amount not to exceed \$220,000, at a current interest rate of 4.25% per annum for a maximum of two years to Umpqua Community Action Network for the acquisition of property for the development of Trillium Terrace, Roseburg, Oregon.

VOTE: In a roll call vote the motion passed. Members Present: Scott Cooper (via phone), John Epstein, Maggie LaMont, Jeana Woolley and Chair Larry Medinger (via phone). Stuart Liebowitz abstains. Absent: Francisco López.

D. *Mid-Columbia Safe Home*, Housing PLUS Request (The Dalles, Oregon). **Roberto Franco**, Director's Office Liaison, introduces **Ruby Mason**, Executive Director, Mid-Columbia Housing Authority and Director of the Cascade Housing Corporation, and **Deb Price**, Regional Advisor to the Department. **Franco** states that the project is a six-unit housing site for chronically homeless individuals with serious mental illness. The project includes four studios and two one-bedroom units. The project will be located in a residential community consisting primarily of single homes in The Dalles. The residents for Mid-Columbia will be coming from a multi-county region. One of the service providers that will be working with Cascade Housing is a service provider for mental health and addictions in the area that covers Wasco, Hood River and Sherman Counties.

Columbia Cascade Housing Corporation, which is an affiliate of Mid-Columbia Housing Authority, will be responsible for the development and operations of the project. He gives an overview of the write-up contained in Housing Council's packet. **Liebowitz** asks how secure the Section 8 subsidies are, as tenants will not pay more than 30% of their incomes. **Mason** explains that they anticipate the subsidy for the first two years will come from Housing PLUS, and that all the families as they enter into the program, if they are not already on their Section 8 waiting list, will get on the waiting list. They give priority for funding for Section 8 vouchers to homeless persons who are participating in a comprehensive support package. One of their thoughts is to project-base a certain number of them in the future. **Liebowitz** asks if the finances of the project would dictate giving priority to those who already have a Section 8 or are on a list. **Mason** says no, that these are homeless people, and that they will accept referrals from their partner mental health center. **Epstein** asks what the debt will be, since Housing PLUS is a grant. **Franco** states that Cascade Corporation is providing a small loan towards the project in the amount of \$28,000.

MOTION: Epstein moves that the Housing Council approve \$540,000 in development dollars from Housing PLUS, and \$150,000 from Trust Fund; an additional \$92,280 in Supportive Services and \$63,720 Rental Assistance for Housing PLUS dollars for a total grant reservation of \$846,000 to Columbia Cascade Housing Corporation for the development and construction of the Mid-Columbia Safe Home, in The Dalles, Oregon. This approval for funding is contingent upon Columbia Cascade meeting all Housing PLUS and Trust Fund requirements and conditions of award.

VOTE: In a roll call vote the motion passed. Members Present: Scott Cooper (via phone), John Epstein, Maggie LaMont, Stuart Liebowitz, Francisco López, Jeana Woolley, and Chair Larry Medinger (via phone). Absent: Francisco López.

E. University Place, Housing Development Grant Program Fund Request and Housing PLUS Request (Portland, Oregon). **Carol Kowash**, Housing Development Representative, introduces **Betty Dominguez**, Housing Authority of Portland, and **Vince Chiotti**, Regional Advisor to the Department. **Kowash** states that the project is in downtown Portland, serving the homeless with mental illness. There will be 48 single-room-occupancy (SRO) units in five stories, as well as housing the service provider for the Bridgeview Program, currently Luke-Dorf, on the first floor. She gives an overview of the write-up contained in Housing Council's packet, and notes that there is local funding of \$6.2M for the project and \$758,000 in cash contribution from the Housing Authority of Portland. **Dominguez** adds that the Housing Authority of Portland was approached by Multnomah County and the City to build this building to house this program which has been in existence for over ten years. It has been located in the Central City Concern building, but Central City Concern now needs to make use of their own space. This is for a population that is coming in straight off the street, and they will receive extremely intensive services. There are psychological services, medication dispensation and other items designed to bring these folks to a point that they can function well either on their own in another facility or there. There is \$1.5M in funding that comes to the program, \$400,000 of that has come from federal PATH dollars, which are the dollars that require transitional

beds. Some have lived in the program for 5 to 10 years, and the program has never asked anyone to leave, so it was not difficult to pledge these units. The hope is that some will take ready-to-rent classes, learn how to manage their money and stabilize and be able to move out on their own. **Epstein** says it seems like more SROs have moved to full bathrooms and asks why they did not want full bathes. **Dominguez** explains that the site is very small (4,500 square feet), so they were very restricted on what they could develop. They had to guarantee that they could deliver 48 units because the Luke-Dorf is funded based on being able to deliver a certain number of beds. **Epstein** asks if there are two kinds of Housing PLUS dollars; one for development and one for services, and if that is why it is delineated in the motion. **Kowash** says yes.

MOTION: Woolley moves that the Housing Council approve a \$175,000 grant reservation of Housing Development Grant Program Funds (HDGP), and recommends a total of \$750,000 with \$750,000 in Development and \$0 in Serv./Sub. Housing PLUS funds to the Housing Authority of Portland, completing the new construction of University Place in Portland, Oregon contingent upon meeting all Housing Development Grant Program Funds and Housing PLUS requirements and conditions of award.

VOTE: In a roll call vote the motion passed. Members Present: Scott Cooper (via phone), John Epstein, Maggie LaMont, Stuart Liebowitz, Jeana Woolley and Chair Larry Medinger (via phone). Absent: Francisco López.

F. **2009 Housing Council Meeting Dates.** **Rick Crager**, Deputy Director, states that in addition to the proposed 2009 meeting dates, he recommends adding a one-hour telephone conference meeting on January 8, 2009 at 10:00 a.m., in light of four projects that need attention. **Woolley** states that she will not be at the November or December meetings, as she has another activity that will conflict. **Cooper** says he will be out of the country the months of January and February. **Cullin** explains the reason a special meeting is needed on January 8. **Woolley** says that for the presentation on January 8, it would be helpful to understand the implications for any other programs. **Crager** states that it is complicated and that Shelly will go through it thoroughly with Council. **Merced** suggests that a flowchart would be helpful. **Epstein** asks if there will be a guarantee or financial support for the loan to make sure it makes sense economically. **Cullin** says yes.

MOTION: Liebowitz moves that the Housing Council approve the proposed 2009 meeting schedule with the addition of the January 8, 2009 conference call.

VOTE: In a roll call vote the motion passed. Members Present: Scott Cooper (via phone), John Epstein, Maggie LaMont, Stuart Liebowitz, Jeana Woolley and Chair Larry Medinger (via phone). Absent: Francisco López.

VII. SPECIAL REPORTS:

A. *Community Resources Division Update.* **Pegge McGuire**, Administrator, Community Resources Division, explains that the Community Services Section primarily provides pass-through funding and administers programs that are performed by service delivery partners throughout the state. She distributes a handout and gives an overview of the services provided by the Community Resources Division. **Woolley** asks on the community services, what is the average amount provided per family. **McGuire** says she does not know that, but that some of the community action agencies may use the block grant funding to be the stable funding for the infrastructure of their agency, and it may not get passed through to individuals. She offers to bring details to a future meeting. **Liebowitz** says there has been a lot of talk that part of the federal economic stimulus may involve a significant increase in money for weatherizing homes and he hopes the department is in a position to get some of that money. **McGuire** says they are in a position to use the money if it is offered. **Merced** states that he would like for Pegge to make this a part of the regular agenda in future months, perhaps quarterly. **Woolley** says that since she will be reporting to Council on a quarterly basis, it would be nice to have an understanding of what the budgets are associated with those efforts. How much of what we can track is going for direct services? How much is actually getting to the ground to service clients? **McGuire** explains that recently they have been working with the Harney/Malheur Counties Community Action Agency, which is one of the newer community action agencies. They had a primary office in one county, but because of the geographic location and the difficulty in travel, they needed to develop a satellite office. They did not have any other dollars to support that, so the department allowed their funding to go towards that effort. **Woolley** suggests that with the legislative session coming up, she would want her to talk about what kind of services are being provided directly to the people who need them.

VIII. OLD BUSINESS:

A. *Consolidated Funding Cycle (CFC) Report.* **Bill Carpenter**, Information Services Division Administrator, shows Council the Special Needs Analysis award the department was awarded at the NCSHA Conference. He says the fall 2008 CFC was the first one to use the "award-winning" needs analysis model. The model uses an objective statistical process to determine priority levels for workforce and special needs renter populations by comparing the relative level of unmet need to the statewide average. One of the questions asked at a prior Housing Council meeting was the relative distribution of funds through the CFC. The CFC goals included a 30% set aside for department priorities which, for this cycle, were Housing PLUS, preservation, and housing for developmentally disabled adults living at home with aging parents. Most of the remaining funds are allocated with the goal of 55% for urban entitlement areas and 45% for projects in rural areas. The actual amounts that are awarded vary depending on the projects that were received during the cycle and how they were scored. Because of the dollar amounts for the particular projects, 34% of the funding went to the set asides and of the remainder, about 68%, went to urban entitlement areas, and 32% to rural areas. He gives an overview of the applications, noting that the department received eight appeals requests. **Liebowitz** asks if a sample of an appeal could be offered in the CFC application itself, or at least a reference to the availability of that. That way the applicants do not feel intimidated by the thought of having to go through an appeal without knowing exactly what it is that the process would entail. **Carpenter** said he thought that was an excellent idea. **LaMont** says that when the information comes out on smaller populated areas, she would be interested in having that information. **Carpenter** says that data will be available next week. (Note: Since the date of this meeting, Carpenter has provided this information to Housing Council.) **Merced** points out that there are two projects that might have been funded had they not mixed populations and asks Carpenter to explain that a little further.

Carpenter states that when applications were received for multi-level populations, they received a weighted average of the points for that category, depending on the mix of the two populations. If they included some priority two populations, they would have lost some points because of that.

B. *Emerald Pointe Update.* Shelly Cullin, Loan Officer, and Frank Silkey, Architect.

Cullin explains that the department was asked by Mr. Epstein to provide an update on Emerald Pointe, a large elderly and disabled congregate financing that the department also did a loan guarantee on. She says that as of today, the building is constructed and in lease-up. The construction was completed in June, and their first move-in occurred on June 24. 35 units were pre-leased; they currently have 89 units leased; six more units have deposits and move-in dates; eight more have deposits with no move-in dates yet. They have been averaging 18 units a month absorption. They anticipate reaching their 90% occupancy by March. There is a 90-day stabilized occupancy requirement to convert the permanent loan, which is anticipated to be in May or June. When the department did the underwriting and approval the interest rate was estimated to be 6.2%, and the final rate ended up at 5.97%, so their breakeven would be approximately 86% occupancy, which means they could have 20 units vacant. They have done a good job and are on schedule with their leasing. **Silkey** gives an overview of the architecture.

IX. REPORTS:

A. *Central Region RAD Report.* Deborah Price, Regional Advisor to the Department, Central Region, explains that her region includes Hood River, Wasco, Sherman, Jefferson, Crook, Deschutes, Klamath and Lake Counties. She points out that one thing all the counties face is not only the logistics of how far apart some of the communities are, and how far some of our partners and sponsors have to go to try and deliver services, but the weather is a big reality for them in trying to service their clients and customers or build housing. There is also a scarcity of people to serve on boards or city governments, or agency partners that have the capacity that is needed. She gives an overview of each county, pointing out their population, industries, poverty level, etc. **Cooper adds that in the mix of industries that she mentioned, most do not realize that Prineville has the highest concentration of manufacturing of any county in the state as a percentage of the total workforce. Most is tied to the wood products industry. This is also tied to the construction industry, which explains why Crook County has the highest unemployment rate at the moment. **Merced** asks about any potential closures of manufactured dwelling parks. **Price** says there has been no recent activity because there is no incentive for private developers to want the land to redevelop. The most activity has been in the Madras area with a park occupied by farmworkers. **Crager** points out that Deb's region goes from the border of Washington to the border of California, which is a lot of territory to cover, and is a lot of responsibility. He says the work she does is very much appreciated.**

B. *Housing Stimulus Bill Report, Legislative Report and Report of the Deputy Director.*

• ***Housing Stimulus Bill Report.* Betty Markey, Housing Resources Section Manager talks about the Neighborhood Stabilization Program, explaining that they have finished the amendment and it has been posted to the internet for public comment. She and Dona Lanterman talked to a lot of partners in the development of the amendment. At the conclusion of public comment, the comments were incorporated into the amendment which was submitted to HUD last Friday. HUD has 45 days to do the review and she expects to hear something by mid-January. She**

and Dona are working on getting the RFP developed and contract materials ready so they will be ready to go once the money is received. **Merced** asks if there were any comments or input that was far afield of where the department was going with its strategies, or if everything was pretty much in close alignment. **Markey** states that everything was in close alignment. There was one individual and five organizations that commented. Some were more questions and clarification on the program and some asked about administrative dollars if they did administration at the local level.

Markey also explains that the LIHTC Qualified Allocation Plan is being amended to state that the department can underwrite using the 9% applicable rate, and to define the state's hard-to-develop bonus. There will also be a few changes to give as much flexibility as possible to the LIHTC program and projects the department has already funded to make sure that they stay alive during these market conditions. The QAP must be signed by the Governor before the spring CFC, so they plan to have it finalized sometime in December and out for public comment. Council will be provided with a draft, and will have the opportunity to ask for any needed clarification at the conference call on the January 8, 2009.

- **Legislative Report.** **Rick Crager** reports that the Governor has released his budget for the next biennium, and all department Legislative Concepts have been approved. He distributes updates to the concepts John Fletcher had provided in the past. All of the concepts that were provided to the Governor were accepted, with the exception of the document recording fee, which will be carried forward by the Housing Alliance. The bill language for the Legislative Concepts has been drafted and is ready for submission to the Legislature. The Governor's priorities are education, job growth, transportation, climate control and energy efficiency. He explains the legislative strategy and gives an overview of the Governor's Recommended Budget. The Governor wants 10% reductions to both general fund and lottery funds. There are some lottery funds in the department's budget, but it is dedicated to paying debt. Therefore, the department will have to take the corresponding reduction in general fund (15%), which equates to \$1.9M. The department's strategy will be the elimination of the homeownership assistance program (\$800,000 of general fund), with the balance coming out of the homeless programs. The department is trying to preserve the food bank programs to try and ensure that people are being fed. He reviews the department's strategy regarding the 12 positions that are not included in the Governor's Recommended Budget. He says the agency will be doing things differently next biennium if the Governor's Budget is approved as is. The last time this happened it took 11 positions from the previous biennium. In looking back to our 03-05 budget we were at 147 positions, for 2009-11 we are at 127. At some point the department will have to begin looking at program reductions and services that it is no longer able to do. The department does anticipate changes to the way it does business. There are some opportunities, such as the document recording fee. The way the document recording fee is set up now, it would bring \$2M back to the homeownership assistance program, and another \$2M for homeless programs. **Merced** states that it is important to point out that this is one of those tenuous situations where, if during the session the document recording fee passes, it might be used as leverage for the department to cut back on what was originally in the Governor's Budget.

Woolley asks if the economic stimulus monies offset any of the potential cuts. **Crager** explains that the monies that come in through the Neighborhood Stabilization Program have a different focus -- purchase of foreclosed homes, but that there may be some opportunities from a staffing standpoint to help out with available dollars. **Woolley** asks if that was taken into consideration when putting forth the application. **Crager** says the department's instructions and what it has done due to the quick

turnaround is to make the application very broad to be as flexible as possible. He states that there is also the foreclosure counseling money that is available, which could be critical, but it does not come with a lot of administrative money. The department will need to think creatively about how it uses those federal resources with limited staff.

Crager introduces Lisa Joyce as the new Legislative Relations Manager for the upcoming legislative session.

- **07-09 Budget.** **Crager** explains that, due to the last revenue shortfall, the Governor will be implementing a 1.2% reduction to General Fund for the remainder of the 07-09 biennium. The department's preservation efforts have used Community Incentive Fund dollars, which has grown because of paybacks through the Community Incentive Fund program, so the 1.2% cuts will be taken from Housing Preservation Grant dollars, and the department will still reach its current goals even with the General Fund reduction. He says the Legislature has asked us to prepare for potential 5% cut scenarios. **Liebowitz** states that it is understandable that the emphasis would be to concentrate on programs and their protection and seeing how the department can survive. He says the reason he serves on Council is not to serve the poor for housing, but to build housing as part of his overall commitment to protect the poor, which is a broad range commitment to provide services and a safety net to make sure that their lives are decent. There will be other advocacy groups fighting for protecting other parts of the programs that deeply impact the poor, and the department should not isolate itself. What happens in one area as it impacts the poor, impacts the department. When the services go down, the department's ability to serve the poor with housing is also deeply affected, so we need to step back to see how we can work in partnership to find some way of protecting these programs and realigning the priorities. He says he wants to keep in front of Council the reason they are all here is to ensure that the vulnerable and those with the lowest voices in society can be heard through them. **Crager** comments that Council is an executive branch of government and it reports to the Governor. This Housing Council also has opportunities that they may wish to pursue in terms of making their voice known, as it has done in the past. **Merced** states that the department is constrained by how far it can push the envelope. Our partners understand the situation and he trusts that some of these issues will be addressed. His concern is keeping the programs of this agency afloat to continue to serve the vulnerable populations, and he will do everything in his power to keep the department going. **Liebowitz** says it was not his intent to not recognize the strengths the department has, but he thinks as a Council they do have an obligation to look at the larger picture. **LaMont** asks if it would be appropriate for the groups that will be supporting the restoration of programs to come and address Council and let their agendas be known. **Crager** says he thinks that is a terrific idea, and suggests that the Housing Alliance talk to Council in January to figure out how we can be partners. He says there are other opportunities with the Oregon Food Bank and perhaps E-Board funding.

- **Crager** announces that there will be \$29.5M of new federal money coming to the state for the Low Income Housing Energy Assistance Program, which will serve up to 100,000 individuals.

- **Housing Plus.** **Crager** distributes a map showing Housing PLUS projects around the state that are completed or in progress. He says that Roberto Franco has done an incredible job as the coordinator of the program. The entire \$16M has been allocated, and they have been able to geographically disburse it in more rural areas of the state. The money was allocated to individuals, as well as to families. He points out that there are 241 units on the map, and the goal was for 150 units. **Franco** states that what the map shows are the Housing PLUS units funded and

pending for review. Dedicating a specific fund for permanent supportive housing does also leverage other funding, which is one way that they were able to do more than 150 units. **Woolley** asks if these units are the number of units affected for the tenants in each of the projects by Housing PLUS dollars. **Franco** says yes. **Crager** states that the department wants to get more specific information on the clients served in order to show the cost benefits, and the savings seen in other safety-net support systems to be able to go back and get more funding in the future. **LaMont** asks if services are being cut, like mental health and addictions, what will happen with the Housing PLUS units, stating that a lot of the projects are based on partnerships with other groups. **Lisa Joyce** states that the Governor's budget also assumes there will be a provider tax to fund expansion of the Oregon Health Plan by about 75,000 to 100,000 children and 75,000 to 100,000 adults, and that those will be the kinds of people served by Housing PLUS.

C. Report of the Chief Financial Officer.

- **Nancy Cain** reports that the department has issued its financial statements and there were no audit findings. She points out that in the financial statement there is an increase in net assets, which covers enterprise funds, but does not cover general government funds.

- **Carryforward.** **Cain** explains that due to the current economic situation there is virtually no marketplace for selling bonds, and it would cost the department \$2M to retain its carryforward authority. Bob Larson prepared various scenarios if the department did not issue that authority, and the majority of those scenarios showed that the department would not need the authority. Therefore, the department is trying to pursue some other avenues. Inquiries have been made with the IRS about the possible extension of time to be able to issue the carryforward allocation. The market is not much different than it was a month ago. We are looking for the short-term and long-term bond markets to return before going back into the market. In the single family loan program, for a few weeks cancellations exceeded the reservations. The department will be reducing its interest rate in that program to 5.5%, effective today. Other options are being explored in the multi-family and single-family programs with Fannie Mae. **Merced** asks about the federal limitation amount. **Cain** says it is \$29,754,000.

- **LIHEAP Funds.** **Cain** says that with the recent LIHEAP funds, the department will be able to serve 35,000 more people. **Woolley** asks if there is a maximum that can be spent on a household with those dollars. **Cain** explains that the department sets a maximum of \$350 for a household of four, and there is a crisis category where it can go up to \$2,000. **Woolley** says that if the assumption is that \$350 will pay your bill for one month, then the next month, families would be right back to where they started the next month. **Cain** states that the LIHEAP program is well known. It also serves as a gateway to begin to provide the more holistic services to meet families' needs. LIHEAP serves as a link to the weatherization program and E2C2, which is a program that takes energy dollars and does case management around energy usage. It also allows the case managers into the home to be able to see how they are living and to offer assistance for other programs. **Liebowitz** comments that he really supports what she has said. The weatherization is the long-term solution on some level, and E2C2 is very critical. It gives the opportunity to see people that are facing eviction or foreclosure and being able to channel them into other programs.

D. Report of the Director.

- **Merced** states that the department is one of 20 finalists, and next week the Foundation will be conducting phone conferences with each of the finalists and they will let him know at that time whether the department will be awarded the preservation funds. The department applied for \$5M; \$4M of which is a low-interest program related to investment; \$1M is grant money to be used for administration and operation of the fund.

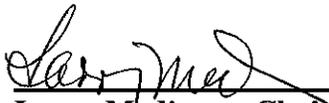
- The Meyer Memorial Trust has asked the department for input on the setting up of a supportive tenant services \$5M pool of money, which are the hardest dollars to get.

- Next week he and Rick will be talking with partners about the department's budget, legislative strategy, and the impacts to the department and the programs. They met this week with community action directors.

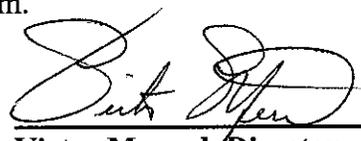
- **Publications.** Jeana had previously asked if the department connects food and hunger issues with housing. He says the department has worked with the Hunger Relief Task Force to develop a brochure on how to make that connection. Next month the department's Annual Report and updated *Housing As An Economic Stimulus* will be published.

X. FUTURE AGENDA ITEMS. **Merced** states that the January meeting will be held in Portland at a site yet to be determined. He suggests having advocates (including food banks, the Housing Alliance, minority groups, some DD and mentally ill population representatives, as well as some private developers) present at the January meeting to discuss how they are disproportionately affected on a number of issues, and to discuss some of the challenges they face. **Crager** suggests someone from CAPO as well.

Co-Chair LaMont adjourns the meeting at 1:06 p.m.



Larry Medinger, Chair DATE
Oregon State Housing Council



Victor Merced, Director DATE
Oregon Housing & Community Services